



MILWAUKEE SHINES

COMMITTED TO A SUSTAINABLE SOLAR FUTURE

Solar PACE Loan Program

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What is PACE?

- Property Assessed Clean Energy financing mechanism
 - Loan is posted as a “special charge” on property tax bill
 - Homeowner repays loan in monthly installments over 5 – 15 years
 - Eliminates the high upfront cost of going solar
 - Loan stays with property
 - In the event of payment default, City may foreclose on the home

History of PACE

- Started in Berkeley, California but has spread like “wild fire”
- Wisconsin State Law 66.0627 and Milwaukee Ordinance 304-26.5
- Commercial tax payers recently added as “eligible”
- This program is seed funded by a We Energies contribution



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Advantages of PACE Financing

- Reduces upfront costs which spurs demand & creates jobs
- Accelerates movement toward energy independence & reduces GHG emissions
- Lowers energy bills
- Property values increase
- Voluntary
- Virtually no risk to lender as property tax liens are “senior” to mortgage debt



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Why Should PACE be of Interest to Installers?

- Likely to become a more common financing mechanism throughout WI
 - Success of this small program will justify a larger program
- Accepting applications NOW on a first-come, first-served basis
 - Review process begins May 1st
- Download Program Manuals/Application at www.MilwaukeeShines.com
 - Direct link: <http://www.city.milwaukee.gov/milwaukeeushines/GoSolarHowto/SolarPACELoan.htm>



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General Program Information

- Administrator: City of Milwaukee and NIDC
- Eligible Participants: City of Milwaukee owner-occupied single family and duplex homeowners
- Type of Loans: Solar Electric and Solar Hot Water
- Loans Size: \$5,000 (min) to \$20,000 (max)
- Program Size: \$135,000, Number of Loans: 9 - 12
- Term: 5-15 years
- Interest Rate: Prime + 2%
- Eligible expenses include: all equipment, labor and permits. Structural reinforcements are eligible up to \$500
- Penalty: no penalty for paying off the loan in advance
- Application Processing Fee: \$50
- Applicant must meet one of four energy efficiency benchmarks



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Installer Qualifications

- Installer is listed on FOE list of Full Service Installers
- Installer is bonded and insured
- Installer holds credentials
 1. City of Milwaukee Home Improvement Contractor License **OR**
Master Plumbers/Electricians License (registered with city and state)

AND when UDC building permit is required

2. Wisconsin Department of Commerce Dwelling Contractor Certification and Dwelling Contractor Qualifier Certification



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Installer Requirements

- Be able to “front” the cost of the equipment
- Be able to provide or obtain basic structural calculations upfront
- Be able to provide an itemized scope of work of eligible expenses
- Be able to assist Applicant in applying for FOE pre-approval incentives
- Be able to secure relevant permits
 - May include electrical, plumbing and UDC building permit



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Pre-Application Step by Step Process

- Applicant gets site assessment—not bundled into the loan. Site assessment must contain % of shading. (If > 15% not qualified)
- Applicant gets 2 quotes from Installers that meet City's requirements. Quotes must include basic structural calculations. Cost to obtain structural calculations not bundled into the loan
- Applicant selects one Installer who helps to fill out FOE and WE incentives and get incentives pre-approved. Pre-approval letter must indicate that Applicant meets one of four energy efficiency benchmarks
- Applicant submits application to NIDC. NIDC reviews application. NIDC will notify the Applicant in writing whether they are approved or declined



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Applications Must Contain:

- Loan application form
- Non-refundable application processing fee of \$50 in a check payable to NIDC
- Site assessment report (that includes the percentage of shading)
- Installer quote with supporting information (that includes the FOE incentives pre-approval letter and basic structural calculations)
- Letter from each Mortgage Company (year-end statement). If home no longer has mortgage, submit copy of mortgage cancellation letter
- Most recent We Energies utility bill
- Proof of property insurance



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If Application is Approved:

- Applicant/Participant comes into NIDC's office. If Participant agrees to the terms, a contract is signed and the loan amount is reserved.
- Once contract is signed, Participant enters into contract with Installer who:
 - “Pulls” permits
 - Installs system
 - Arranges for We Energies to interconnect PV systems
 - Arranges for City Inspectors to inspect installation
 - Ensures that City permits are “closed”
 - Submits “Notice of Installation” form to FOE
 - Receives final incentives confirmation from FOE
 - Receives final work “approval” from the Participant
- Participant calls NIDC to confirm that installation took place. NIDC verifies that permits are “closed” and arranges for check to be issued to the Installer.
- Participant repays loan on their property tax bill.



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Next Steps

- Advocate that other municipalities adopt PACE
- Help us market our program
- Enhance your skills and increase your capacity



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Questions?

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